



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Ordinance No. 1765 Entitled, "An Ordinance of the City Council of the City of Lodi Amending Lodi Municipal Code Title 13 – Public Services – Chapter 13.20, 'Electrical Service,' by Repealing and Reenacting Sections 13.20.175 (D)-(1), (5), and (6) Relating to Market Cost Adjustment Billing Factor; and Further Repealing Section 13.20.185 in its Entirety Relating to Preexisting Electric Rates"

MEETING DATE: November 2, 2005

PREPARED BY: City Clerk

RECOMMENDED ACTION: Motion waiving reading in full and (following reading by title) adopting the attached Ordinance No. 1765.

BACKGROUND INFORMATION: Ordinance No. 1765 entitled, "An Ordinance of the City Council of the City of Lodi Amending Lodi Municipal Code Title 13 – Public Services – Chapter 13.20, 'Electrical Service,' by Repealing and Reenacting Sections 13.20.175 (D)-(1), (5), and (6) Relating to Market Cost Adjustment Billing Factor; and Further Repealing Section 13.20.185 in its Entirety Relating to Preexisting Electric Rates" was introduced at the regular City Council meeting of October 19, 2005.

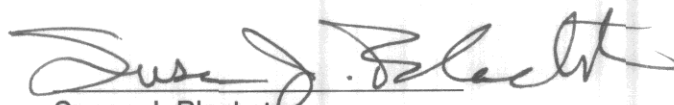
ADOPTION: With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. Two readings are therefore required – one to introduce and a second to adopt the ordinance. Ordinances may only be passed at a regular meeting or at an adjourned regular meeting; except for urgency ordinances, ordinances may not be passed at a special meeting. Id. All ordinances must be read in full either at the time of introduction or at the time of passage, unless a regular motion waiving further reading is adopted by a majority of all council persons present. **Cal. Gov't Code § 36934.**

Ordinances take effect 30 days after their final passage. **Cal. Gov't Code § 36937.**

This ordinance has been approved as to form by the City Attorney.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.


Susan J. Blackston
City Clerk

SJB/JMP
Attachment

APPROVED: 
Blair King, City Manager

ORDINANCE NO. 1765

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI AMENDING LODI MUNICIPAL CODE TITLE 13 – PUBLIC SERVICES – CHAPTER 13.20, “ELECTRICAL SERVICE,” BY REPEALING AND REENACTING SECTIONS 13.20.175 (D)-(1), (5), AND (6) RELATING TO MARKET COST ADJUSTMENT BILLING FACTOR; AND FURTHER REPEALING SECTION 13.20.185 IN ITS ENTIRETY RELATING TO PREEXISTING ELECTRIC RATES

WHEREAS, wholesale electricity prices have increased by approximately 38.6% since the last time the Market Cost Adjustment was implemented as a result of unforeseen natural disasters and other worldwide events; and

WHEREAS, the Lodi Electric Utility is currently selling power to its customers at a significant loss; and

WHEREAS, the Lodi Electric Utility is required to set rates under the rate covenants set forth in its bonded indebtedness at 110 percent of its cost of service; and

WHEREAS, continued operation of the Electric Utility at a loss could place the Electric Utility in default of its rate covenants and subject the City to significant litigation, costs, and threaten the Electric Utility’s ability to continue providing electric service to its customers; and

WHEREAS, electric service is necessary to provide for the public peace, health, and safety of the residents of the City of Lodi.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

Section 1. Lodi Municipal Code Title 13, “Public Services,” Chapter 13.20, “Electrical Service,” is hereby amended by repealing and reenacting Section 13.20.175 (D)-(1), (5), and (6) relating to the MCA billing factor and shall read as follows:

- D. Calculation of the Market Cost Adjustment billing factor.
1. When the Electric Utility Director deems that substantial changes in power supply costs have occurred relative to the costs included in base rates, the Market Cost Adjustment billing factor shall be activated following the approval of the City Council in amounts and at times set by Resolution.
 5. The Electric Utility Department shall furnish to the City Council a notice of any proposed activation or change in the Market Cost Adjustment billing factor. Any activation or change in the Market Cost Adjustment billing factor requires approval of the City Council in amounts and at times set by Resolution.
 6. The Electric Utility Department generally shall make the Market Cost Adjustment billing factors effective as of the first day of the appropriate month. Adjustments to the Market Cost Adjustment shall be no more frequent than quarterly and no less than semi-annually.

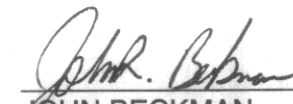
Section 2. Lodi Municipal Code Title 13, “Public Services,” Chapter 13.20, “Electrical Service,” is hereby amended by repealing Section 13.20.185 in its entirety relating to preexisting electric rates.

Section 3 - No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

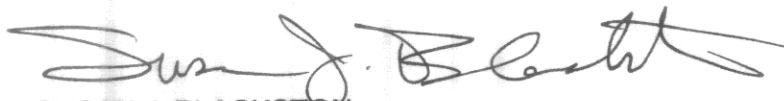
Section 5. This ordinance shall be published one time in the "Lodi News Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi, and shall be in force and take effect 30 days from and after its passage and approval.

Approved this 2nd day of November, 2005.



JOHN BECKMAN
Mayor

Attest:

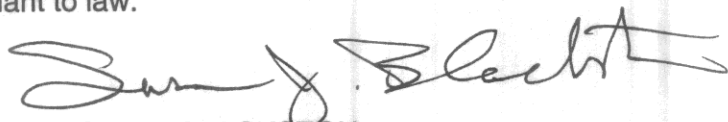

SUSAN J. BLACKSTON
City Clerk

State of California
County of San Joaquin, ss.

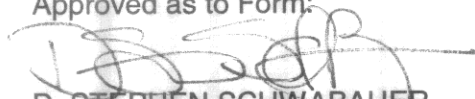
I, Susan J. Blackston, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1765 was introduced at a regular meeting of the City Council of the City of Lodi held October 19, 2005, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held November 2, 2005, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, and Mayor Beckman
NOES: COUNCIL MEMBERS – Mounce
ABSENT: COUNCIL MEMBERS – None
ABSTAIN: COUNCIL MEMBERS – None

I further certify that Ordinance No. 1765 was approved and signed by the Mayor of the date of its passage and the same has been published pursuant to law.


SUSAN J. BLACKSTON
City Clerk

Approved as to Form:


D. STEPHEN SCHWABAUER
City Attorney